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on Tuesday, 15 June 1991, at 3 p.m.

President: Mr. SERRATE CUELLAR (Bolivia)
(Vice-President)

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In the absence of the President, Mr. Serrate Cuellar (Bolivia), Vice-President, took the Chair

The meeting was called to order at 3.25 p.m.

TRIBUTE TO THE MEMORY OF MR. HAMADI KHOUINI, AMBASSADOR OF TUNISIA TO THE UNITED NATIONS

1. At the invitation of the President, the members of the Council observed a minute of silence.

STATEMENTS WELCOMING THE ADMINISTRATOR-DESIGNATE

2. The PRESIDENT welcomed the Administrator-designate, Mr. James Gustave Speth, noting that the General Assembly had earlier that morning confirmed his appointment by the Secretary-General to a four-year term beginning on 16 July 1993.

3. Mr. DRAPER (Administrator) welcomed the Administrator-designate and provided the Council with an overview of his professional background, citing in particular his extensive experience in the sphere of development and environment.

4. Mr. SPETH (Administrator-designate) said that he intended to build a powerful new theoretical construct that would combine the concepts of human and sustainable development and to work towards making that new model a reality in all countries. His years of experience in the development field had taught him that the environment could only be protected within the context of successful development efforts, including the alleviation of poverty and the empowerment of social groups typically excluded from the decision-making process. He was committed to addressing the crisis of underdevelopment in the world.

PROGRAMME PLANNING AND IMPLEMENTATION (continued)

(b) MATTERS RELATING TO THE PROGRAMMING CYCLES (continued) (DP/1993/21 and DP/1993/67 and Add.1)

5. Mr. KABIR (Observer for Bangladesh) said that in viewing the growing needs of the developing countries, the failure to meet the 8 per cent growth rate for resources would have serious implications for their development efforts. His delegation strongly supported long-term viable financing based on predictability, continuity and growth. He pointed out that the shift in the composition of UNDP resources, towards cost-sharing and trust funds and away from voluntary contributions, had eroded the central funding role of UNDP.

6. His delegation commended the principle of progressivity in the allocation of IPF resources and urged that the share for least developed countries (LDCs) and "as if" LDCs should be increased for the sixth cycle. Per capita gross national product (GNP) and population should remain the essential determinants in the allocation of indicative planning figure (IPF) resources.

7. Although Albania was facing a crisis in its move towards democracy and a market-oriented economy, its request for "as if" LDC status must be viewed in

(Mr. Kabir, Observer, Bangladesh)

the context of the declining resources of UNDP, which had already been forced to decrease allocations to 75 per cent of established IPFs. Although the documentation stated that Albania's per capita GNP was expected to fall below the threshold for LDC eligibility in 1992 or 1993, precise data had not been provided, nor had the request for "as if" LDC status had been analysed against the eligibility criteria. Furthermore, the duration of the temporary period of the proposed "as if" LDC status needed to be explicity defined.

8. Mr. JASINSKI (Poland) said that the Albanian Government's request for "as if" LDC status gave UNDP an opportunity to assess the concrete needs of a country from a perspective broader than that of mere statistical and economic data. Such data often inadequately reflected the real situation and could negatively affect the consequent analysis and findings. UNDP should work towards broadening its data-processing and data-collecting methodologies, in particular for the countries of Eastern Europe and the former Soviet Union whose economies were in transition.

9. For the sixth programming cycle, the supplementary criteria for the allocation of IPFs set out in Governing Council decision 90/34 should perhaps be expanded to include the capacity of a country to design, manage and deliver its own development programmes and projects, the existence of environmental constraints and degradation, and the status of economic and social transformations and reforms. He reminded the Council that contributions to UNDP activities concerned both donor and recipient countries; counterpart contributions in cash and kind, cost-sharing and office facility inputs from recipient countries should not be underrated. Furthermore, the success of future technical cooperation hinged on the ability of recipient countries to envisage and programme ther role in that combined effort.

10. Mr. GUILLEN (Peru) noted that, according to the Associate Administrator, cuts would have to be made in certain programmes because of the decline in resources. He wanted to know which programmes, and specifically whether the Latin American region or his own country, would be affected.

11. While his delegation sympathized with Albania's request for "as if" LDC status, he felt that additional information and further consideration were needed before a decision on the question could be taken, particularly in view of the decline in resources and the difficulties faced by donor countries.

12. Turning to the report of the Administrator on matters relating to the programming cycles (DP/1993/21), he said it seemed clear that the conventional criteria used to determine IPFs, namely per capita GNP and population indicators, were no longer sufficient and that other, more reliable criteria needed to be developed. It would also be useful to determine whether the objectives pursued in previous programming cycles were still valid and whether the current methodology would lead to the achievement of those objectives. In view of the decline in contributions, perhaps greater emphasis should be placed on other mechanisms such as cost-sharing and trust funds. In conclusion, he felt that the report as it stood did not offer a valid starting-point for the action needed and should serve rather as a discussion paper in preparation for a final document to be submitted to a future session of the Council.

13. Ms. ZHAO Chengjun (China) said that, according to the Administrator's report, voluntary contributions for the first two years of the fifth programming cycle had fallen well short of the target set in Governing Council decision 90/34. The disquieting lack of resources was jeopardizing the ability of UNDP to carry out its programmes and meet the ever-growing and changing needs of developing countries. Her delegation therefore appealed to all countries, especially the developed countries, to make the voluntary contributions needed to ensure that the growth target set by the Council could be met.

14. With regard to the methodology for the sixth cycle, she welcomed the efforts to explore new financial mechanisms to deal with the crisis, especially the Nordic proposal to expand the funding base by replacing voluntary contributions with a system combining assessed and voluntary contributions and negotiated pledges. Whatever methodology was used, however, no additional burden should be placed on the developing countries. Her delegation fully supported the use of per capita GNP and population indicators as the fundamental criteria for the allocation of resources. Those criteria were fair and reasonable and should continue to be applied. Of course, there were many additional factors which could affect the methodology, and it was to be hoped that UNDP would make the necessary adjustments to render the methodology simpler and more transparent.

15. Mr. DAIDJ-BARDAD (Algeria) said that, at a time when UNDP resources were declining and its sphere of action and the number of recipient countries were increasing, the allocation of IPFs was a particularly sensitive question, and it was essential to ensure that the principle of equity was always respected. As to whether per capita GNP was an appropriate criterion, his delegation agreed that more reliable criteria should be sought, but felt that the use of the human development index or social indicators would not be entirely satisfactory. His own country had suffered from a reduction in its IPF because of the use of economic data which in no way reflected the country's true situation, and it therefore fully supported efforts to identify criteria whose reliability was beyond question. In addition, data pertaining to economic indicators should be collected directly from institutions in the recipient countries and not from multilateral financial institutions, as was done at present.

16. Mr. POST (Netherlands) said that, during the sixth cycle, the focus should be on the poorest and low-income countries, with particular reference to the field level. The proposal to use social or human development indicators instead of per capita GNP in calculting IPFs should be looked at carefully, since it might punish those countries with an effective human development policy and exclude those most in need of assistance. Some delegations were concerned that increased focus on the poorest countries would run counter to the principle of universality. However, as was pointed out in paragraph 42 of the Administrator's report, universality did not require a net flow of resources to all countries. Those countries which were not among the poorest were eligible for funding from non-IPF resources; in that connection, it would be useful to have a breakdown of the figures for Special Programme Resources (SPR) by region, especially given the growth in SPR funds as compared with IPFs. While it was true that funds spent in middle-income countries produced a better return, that it did not mean that those countries should have larger IPFs. It was the lack of human resources and implementation capacity in low-income countries which held them back, and their need for assistance was greater.

(Mr. Post, Netherlands)

17. The sixth cycle would be shaped by a number of factors, including the views of the new Administrator and the outcome of the restructuring exercise. He hoped that failure to agree on relatively minor changes in governance would not serve to confirm the views of those who saw operational activities as a bureaucratic and inefficient system hampered by politicized decision-making, since in the long run the level of voluntary contributions would suffer. UNDP should be encouraged to hold informal consultations with Governments in preparation for the conceptual paper to be submitted to the Council at its next session.

18. While recognizing the difficult circumstances currently prevailing in Albania, his delegation was not convinced that the country's position was equivalent to that of a least developed country. Moreover, the General Assembly had agreed on a new system for determining LDC status under which the list would be revised every three years on the basis of recommendations by the Committee for Development Planning. To accord "as if" status in different United Nations bodies would set a precedent and undermine that system. Albania should therefore submit a request for LDC status in accordance with the normal procedure.

19. Ms. LONGINOTTI (Italy) said that her delegation strongly supported the request by Albania for "as if" LDC status in order to assist the country's difficult transition to a market economy and alleviate the negative impact of structural adjustment. Naturally, the "as if" status should be accorded on an exceptional basis and for a limited period only. The support of the international community was vital during the difficult transition to a democratic system and a market economy, and her Government would continue to support that process by focusing its bilateral cooperation activities on social sustainability and macroeconomic stabilization.

20. With regard to programming cycles, the Council should conduct a stringent review of the mechanism for allocating resources for the sixth cycle, with a view to attracting more funds for UNDP activities. A substantial increase in SPR could result in greater efficiency and stimulate additional financial support. UNDP should continue to make every effort to attract alternative sources of income through cost-sharing and government and cash-counterpart contributions. The proposal to use human development indices and social indicators in determining IPF resources was an interesting one, and her delegation looked forward to examining the comprehensive conceptual paper to be prepared for the Council's 1994 session.

21. Mr. PONCE (Ecuador) said that the main problem facing UNDP was the decline in resources caused by the reduction in voluntary contributions from the donor community, despite efforts to improve management and the growing commitment of funds by recipient countries. The increase in the number of recipient countries and the general deterioration in the situation of the least developed countries was placing an increasing strain on scarce resources, and unless stable financial mechanisms could be developed the future role of UNDP might be jeopardized. Even modest targets such as the allocation of 0.7 per cent of GNP for development or the 8-per-cent annual growth rate for voluntary contributions had not been met. The commitments to sustainable development undertaken at the United Nations Conference on Environment and Development must be reflected in practical terms, through a willingness on the part of the industrialized

(Mr. Ponce, Ecuador)

countries to contribute to development bodies, especially UNDP. His delegation fully agreed with the need for predictability, continuity, assuredness and growth in UNDP resources referred to in paragraph 30 of the report of the Administrator, and careful consideration should be given to the proposals aimed at securing a multiannual funding base.

22. As a consequence of the lack of resources, allocations to middle-income countries had fallen, and UNDP was concentrating its activities increasingly on crisis situations, while neglecting its fundamental role as a promoter of development. It was rather inconsistent to develop a concept of human development and then to base assistance on limited economic criteria without regard to social indicators. On the other hand, the use of IPFs had lent a certain amount of stability to the system and, although the introduction of social criteria and greater transparency were desirable, the human development indices developed thus far did not provide clear criteria for the allocation of resources and should be treated with caution. With a view to strengtheing the role of the middle-income countries in UNDP, his delegation welcomed the proposal by the representative of Chile to develop tripartite cooperation mechanisms aimed at encouraging more active participation in technical cooperation by experts from those countries.

23. With regard to Albania's request for "as if" LDC status, his delegation sympathized with the special problems facing the country, but shared the concerns expressed by the representatives of Peru and the Netherlands. Additional information should be provided on the supplementary criteria, in accordance with the report of the Committee for Development Planning referred to in document DP/1993/67/Add.1, together with more detailed statistics, so that the Council could take a decision on the matter with the necessary transparency. In the meantime, continued support for projects undertaken by Albania together with other United Nations agencies could make a vital contribution to critical sectors of the country's economy.

24. Mr. MONROE (United States of America) said that his delegation recognized the need to provide recipient countries with an indication of resources on a predictable and assured basis. The current IPF arrangement was unsatisfactory; meanwhile needs continued to outpace available resources. UNDP must ensure that its limited resources were targeted to those most in need and, in particular, to those who were committed to helping themselves. In determining how its resources would be allocated, the Programme should use the composite indicators that were unique to its work, rather than indicators used by the World Bank and other international financial institutions.

25. His delegation remained concerned over the increase in trust funding arrangements, since it believed that trust funds tended to distort the activities of UNDP. In future, UNDP needed to be more focused and more financially secure; it was uniquely placed to offer assistance which other institutions were neither qualified nor capable of providing.

26. The 1970 consensus should be reviewed in terms of its relevance and direction. Consideration must also be given to the country programme review and approval process. Member States, responsible for the effective use of resources, must be more than just a rubber stamp. While the process had

(Mr. Monroe, United States)

improved greatly since the establishment of the Standing Committee for Programme Matters, more needed to be done in that regard.

27. His delegation wholeheartedly supported the principle of graduation. Although it recognized the principle of universality as it applied to UNDP, it felt that countries in a position to pay for UNDP's technical assistance should be encouraged to do so both as a matter of principle and as a goal of development assistance. Governments should be encouraged to move towards net contributor status, and everything possible must be done to avoid backward movement towards LDC status.

28. His delegation had difficulty in supporting the request from the Government of Albania for "as if" LDC status. While it recognized the country's pressing development needs, it believed that a further analysis of the data supporting the request must be undertaken. The Council should review the implications of the "as if" category as they affected UNDP and its relationship with other international funding institutions.

29. Mr. ROHNER (Switzerland) said that because of the shortfall in resources over the years, UNDP was at a real disadvantage as compared with other multilateral development institutions, particularly financial institutions. It was difficult to see how the Programme could continue to allocate resources on a five-year basis while contributions continued to be purely voluntary and were determined annually. That matter must be given urgent consideration. The Council was already being asked for guidance in the preparation of the sixth cycle; at the same time, it must ensure proper implementation of the current cycle in its various stages, including the mid-term review.

30. The Council would have to review the allocation system very carefully and consider a number of options. It was to be hoped that more countries would be able to move to net contributor or full-fledged donor status. A dilemma existed in respect of the allocation criteria: on the one hand, the Council sought simplicity, transparency and a system that was easily applicable, and on the other it wanted criteria that would take into account the complexity of the development process. His delegation hoped that the framework paper would be submitted in February 1994 so as to allow time for consideration before the forty-first session.

31. It would be difficult to reach consensus on granting "as if" LDC status to Albania. His delegation hoped that the Council would find other ways of helping that country in its very difficult situation.

32. Mr. TWITE (United Kingdom) said that the Council needed to consider issues relating to the sixth programme cycle well ahead of time. His delegation felt that the decision to programme only 75 per cent of current IPFs was wise in view of the problems of resource flows. The revisions to fifth cycle IPFs had been carried out in a satisfactory manner. However, in document DP/1993/21, paragraph 16, there was no indication as to whether any allowance had been made for new accessions to LDC status when revising IPFs. It was indicated in paragraph 20 that Trinidad and Tobago had had its net contributor status waived; he wondered whether that Government had asked for the waiver or whether it had been granted unilaterally. In connection with paragraph 23, his delegation was pleased that Eritrea had been given an IPF but wondered what had happened to the

(Mr. Twite, United Kingdom)

IPF for Ethiopia, which had previously been unofficially split between Ethiopia and Eritrea.

33. The criteria currently in use for the allocation of IPFs no longer corresponded to the objectives of rationality, simplicity and progressivity identified in 1979. In respect of progressivity, there had been some improvement with the increasing emphasis on LDCs and poorer countries. However, the sheer complexity of the fifth cycle allocation criteria showed that UNDP had completely lost sight of the objectives of simplicity and rationality.

34. He agreed that there were some problems with the accuracy of the GNP data currently used; however, there did not seem to be any better data available. In future, UNDP might consider using the human development index as a qualifier. Given the inherent weaknesses in the current system, the Council needed to take an imaginative approach to the next cycle.

35. Clearer and more progressive methods of graduation from recipient to net contributor or donor status were needed; the current cut-off of $3,000 was extremely sudden, although the floor provisions made the process fairly slow. In that connection, his delegation endorsed the view put forward in paragraph 42 of the report.

36. In future, the Council might wish to consider abandoning the five-year cycle altogether. The existing system was too rigid; allocations for the fifth cycle had been made in 1990, yet since that time dozens of countries had become recipients and there had been huge changes in the world. It might be preferable to have a rolling two-year programme with a biennial budget and a forward plan that looked two or three years beyond that, with indicative allocations. A similar system was used in some specialized agencies, and an arrangement of that type would allow continuous adjustment on a biennial basis and more even resource flows. The need for fair allocation criteria would remain.

37. His delegation sympathized with the difficulties faced by Albania, but shared the concerns voiced by many delegations. It would be inappropriate to grant "as if" LDC status to Albania since no convincing evidence had been provided to warrant such action. If the Council did agree to the request, it would be setting a dangerous precedent that would be damaging to the LDC process.

38. Mr. AMIN-MANSOUR (Islamic Republic of Iran) said that his delegation was in favour of offering recipient status to Albania since the Albanian Government was making serious efforts towards economic and social development.

39. His delegation welcomed the gradual increase in cost-sharing by recipient countries but was concerned about the decrease in voluntary contributions. The reduction in the level of resources available to UNDP would have an adverse impact on the development process in developing countries, many of which were carrying out economic adjustment programmes and market-oriented policies and needed further financial and technical assistance from UNDP.

40. Developing countries had shown responsibility by increasing their cost-sharing contributions. Given the increasing needs of recipients, the developed countries must acknowledge their responsibilities and increase voluntary

(Mr. Amin-Mansour, Islamic Republic of Iran)

contributions on a predictable and stable basis. Such contributions would enhance mutual understanding and economic cooperation among countries.

41. Greater attention should be paid to the needs of LDCs. At the same time, the reduction in the allocation of IPFs to lower-middle- and middle-income countries was a matter of concern and would hamper the process of development and capacity-building.

42. With regard to the final fifth-cycle IPFs, he wondered why the 1989 population and per capita GNP figures had been used. Those figures must be updated and should take into account other factors, such as human development ratings.

43. Mr. KING (Observer for Trinidad and Tobago) said that one year after the United Nations Conference on Environment and Development, UNDP had an important role to play in the promotion of sustainable development through the facilitation of technical cooperation for development and the creation and enhancement of national capacities. Although UNDP accounted for a small fraction of official development assistance flows, its programmes were very attractive because of their fundamental characteristics. UNDP also provided a window through which developing countries gained access to technical assistance on neutral terms.

44. In Latin America and the Caribbean, a region which received less than 10 per cent of UNDP resources, those limited resources had served reasonably well as seed money. However, seed money had to attain a critical mass in order to have a significant impact, particularly at a time when developing countries were faced with new challenges and increasing development needs. His delegation therefore hoped that the current decline in UNDP resources would be temporary.

45. The universality of UNDP must not be compromised. All developing countries should continue to have access to technical cooperation through UNDP. The voluntary and grant nature of the Programme, its flexibility and its neutrality should also continue to be operational principles in the sixth cycle.

46. The IPF had played a useful purpose in facilitating short- and medium-term planning. The central issue facing UNDP was the predictability of resources. If that issue was resolved, variations in IPFs should not create many difficulties. The growing complexity of the allocation of IPF resources illustrated the inadequacy of per capita GNP and population size as the sole criteria for resource allocation. Any attempts to simplify the methodology should not compromise the basic philosophy underlying the current criteria. The current formula had succeeded in channelling most resources to countries with the largest percentage of poor people without disregarding the poor in middle-income countries. It had also taken into account special situations such as those in island developing countries. Any new methodology should take those elements into account.

47. Mr. BLANK (Germany) said that as a result of the current reform of operational activities, the situation with regard to the sixth cycle would become clearer in the next year. Until then, the existing system of allocating IPFs should prevail for all countries. He agreed that current financial constraints should lead all parties to more quality-oriented, country-driven

(Mr. Blank, Germany)

approaches for sustainable development. Those countries that were committed to helping themselves and whose Governments were prepared to make structural changes were particularly deserving of UNDP cooperation. Small, low-cost, but effective activities, financed as much as possible through cost-sharing, were valuable for partner countries. He supported the Administrator's proposal to hold broad consultations early in 1994 on the conceptual paper that was to be submitted to the Council at its forty-first session.

48. Mr. POPESCU (Romania) said he was discouraged by developments in the fifth cycle, but remained optimistic that Governing Council decision 90/34 would be fully implemented by the end of the cycle. He agreed that the IPF system had not proved to be an ideal planning mechanism; nevertheless, since the Council had used that tool for five cycles, it could not profit from that experience. Further discussions would be necessary in order to determine a better, longer-term viable financing modality that would ensure predictability, continuity, multilateral pledges, and growth. It was generally agreed that the bulk of UNDP resources must go to the least developed countries; it was therefore up to the Council to determine the actual volume of those resources, and the amount that would remain for the other developing countries.

49. The experience of the fifth cycle had shown that the World Bank atlas methodology was not useful in determining precise IPF levels because the figures it provided were out-of-date, not relevant to the programming process and ultimately affected the accuracy of calculations of country allocations. He questioned why 1989 figures would still be applied in 1996 and expressed support for the Administrator's suggestion that the use of per capita GNP as a determining criterion was not wholly appropriate. His delegation would welcome the application of composite indices, including human development and social indicators, which would better reflect technical assistance and resource needs. Future cycles should be based on the principles of universality, neutrality and a political commitment to strengthening UNDP. He suggested sending a questionnaire to all States to solicit their views on resource allocation, funding mechanisms and the use of indicators, so that those views could be reflected in the first draft of the conceptual paper on issues relating to the sixth programming cycle.

50. Lastly, his delegation supported Albania's request for "as if" LDC status.

51. Mr. DIAZ (Observer for Venezuela) said that his delegation supported the views expressed by the representatives of Argentina and Uruguay on the need for a revision of the methods for allocating resources in the sixth programming cycle. The current reliance on per capita GNP and population size could not constitute a basis for determining future priorities. Perpetuating the current system would be detrimental to the countries of Latin American and the Caribbean which, paradoxically, because they had shown greater efficiency in the utilization of the scant resources allocated to them by UNDP, could find themselves virtually excluded from an international cooperation system that was ostensibly based on the principle of universality and specifically called for greater efficiency on the part of beneficiary States in the formulation and implementation of development programmes.

(Mr. Diaz, Observer, Venezuela)

52. When formulating the methodology for resource allocation, then, UNDP should take into account other factors and indicators of a social nature which gave a clearer picture of the actual situation of developing countries. Development as a whole involved far more than the participation of countries in world production.

53. Mr. HORIGUCHI (Observer for Japan) said that in view of the significant reduction in financial contributions in 1993, his delegation endorsed the Administrator's efforts to apply strict financial management controls while minimizing disruptions to ongoing programmes. UNDP should continue to follow its current approach for the allocation of IPFs and should endeavour to ensure that the traditional recipient countries continued to receive an adequate flow of financial resources despite the emergence of new recipient countries.

54. In principle, his delegation had no objection to the proposal for a multi-year negotiated pledge, as it was likely to lead to larger contributions from donors. However, under its laws and regulations, the Japanese Government would have great difficulty in adopting such a system. Japan had been increasing its voluntary financial contributions to the United Nations and its funds and programmes in the economic and social fields under the current financing system and would continue to provide all possible support to United Nations development activities.

55. His delegation endorsed UNDP's efforts to enhance the utility of the indicators used to determine IPFs and technical cooperation needs. While he accepted the use of per capita GNP as the second best option, he encouraged UNDP to explore the possibility of including social indicators among the criteria used.

56. Graduation from recipient status was critical if UNDP was to make more efficient use of its resources. His delegation shared the concern of recipient countries that the graduation system sometimes had a punitive effect, and requested UNDP to study the possibility of encouraging traditional recipient countries to increase their voluntary financial contributions while at the same time permitting them to maintain their recipient status in programmes in which they continued to require external assistance.

57. His delegation appreciated Albania's position but was concerned about the possible ramifications of granting the country "as if" LDC status. It was important to maintain consistent modalities for granting LDC status, and his delegation therefore felt that Albania's eligibility for such status should be reviewed at the earliest possible stage so that an equitable decision could be reached.

58. Mr. MOULA (Yemen) said that he would like to bring the Council up to date on conditions in Yemen since the declaration of unity and the success of the first parliamentary election conducted on democratic principles.

59. The pluralistic system in his country had brought freedom of expression of opinion and freedom to form political parties and mass organizations, as well as respect for human rights and fundamental freedoms. Women had been accorded an equitable status and political, economic and social rights and were entitled to

(Mr. Moula, Yemen)

participation in all areas of life. An appropriate climate had also been ensured for economic development.

60. There had been a transitional period following the establishment of unity, when pre-existing administrative structures had been merged, leading to increased government expenditure and burdens. During that period, problems had been created by, for example, the Gulf crisis and the natural disasters that had afflicted the country, as well as groups of refugees from the Horn of Africa. United Nations organizations and agencies had cooperated with the Government of Yemen to alleviate the impact of those problems. The country had received a visit at that time from the Council's Standing Committee for Programme Matters, which had seen the situation at first hand.

61. He stressed the necessity of further aid to Yemen, as a newly formed State facing many tasks and challenges. The country programme for Yemen approved by the Council in May 1992 with an IPF of $42 million met only a minimum of Yemen's requirements. Now that amount was to be reduced by 25 per cent. Such a reduction would drastically shrink the volume of development activity. In view of the difficult economic circumstances experienced by his country, the Yemeni Government had hoped for an increase in UNDP assistance, rather than a reduction.

62. UNDP played a pioneer role, and the developing and least developed countries relied on it to meet their needs and build their capacities so that they could become self-reliant. His country therefore supported the idea of strengthening the role of UNDP in leading and coordinating the development activities of the United Nations system. The developing countries still needed greater support in order to achieve sustainable development in a sound environment and build national capacities in the fields of planning, programming, information systems and administration, institution-building, human resources development, transfer of skills and technology and the strengthening of economic, production and service infrastructures. Consideration should be given to defining a mechanism for implementing and following up the Council's decisions and establishing new and positive concepts for implementation, evaluation, follow-up and development of the skills of local cadres.

63. Yemen had signed a memorandum of understanding with the United Nations Capital Development Fund covering a number of projects, but had recently been confronted with an 18 per cent reduction of that support and, consequently, the cancellation of a number of those projects. He hoped that those reductions would be reconsidered, taking into account not only traditional criteria for determining IPFs but an appreciation of the current circumstances of the new Yemeni State, support for democratic trends, and an awareness of the enormous tasks facing that country's Government and of the requirements of the current stage, which Yemen alone did not have sufficient resources to meet.

64. Yemen attached great importance to technical cooperation among developing countries (TCDC) and hoped that the international community would support that modality as set forth in the 1978 Buenos Aires Plan of Action and as called for by the current international situation. In addition to current bilateral efforts, a mechanism for TCDC would serve as a useful incentive to implementation.

65. Mrs. VAN DEN BERGH (Belgium) said that while her delegation was fully aware of the problems that Albania, as a young democratic country, was currently facing and of its need for assistance in the form of special measures granted to LDCs, Albania had not met two basic criteria for LDC classification, namely the augmented physical quality of life index (APQLI) and the economic diversity index (EDI). Those criteria had not been designed to meet the needs of countries in transition, such as the Eastern European countries. Accordingly, her delegation was of the view that the Council was not in a position to favourably consider Albania's request to obtain "as if" LDC status.

66. Mr. GOMEZ (Associate Administrator) said that the fact that more than 50 per cent of the Council's membership had spoken on the item under discussion was a clear indication of its importance. Furthermore, while different views had been expressed, no adversarial positions had been taken, reflecting the profound spirit of partnership in development the Programme represented. All of the views expressed would be taken into account by the secretariat in its preparation of the conceptual paper.

67. The Administrator and UNDP strongly supported the Nordic project and the search for greater predictability in financing. Replying to the representative of the United Kingdom, he said that nothing in paragraph 16 of document DP/1993/21 implied a criticism of World Bank figures. While the use of World Bank data had been described as the second best option, it would be foolish to dispense with that data until a better option had been found. The Council was currently looking into other indicators, such as purchasing power parity and the human development index. Although there would be technical problems in using the latter for resource allocation, it was thought that aggregating that index into component parts, such as social or economic indicators, might provide an option.

68. Given the importance of SPR in the current cycle, it should be noted that those resources had failed to stimulate fund-raising. Clearly, real financial constraints among donor countries were likely to continue, and those constraints should be taken into account when looking at solutions for the next cycle.

69. In answer to the question raised by the representative of Peru, he said that a reduction in programming levels should not affect programmes themselves, but would result in a 25 per cent reduction in programme expansion.

70. In response to the question raised by the representative of the Netherlands, he noted that the Council did have some data on SPR approvals: 50 per cent of the $232 million available after programming reduction had been budgeted. Of that 50 per cent, bearing in mind that SPR was activity-related and not country-related and that no region should receive more than 50 per cent of SPR, 37 per cent of the total budget had been calculated on the basis of those SPR criteria.

71. The issue of Albania's request for "as if" LDC status should be referred to a drafting group for decision.

72. Regarding IPF allocations, there were 20 new recipient countries, to which two new countries, Eritrea and the former Yugoslav Republic of Macedonia, would soon be added. The annex to document DP/1993/21 did in fact reflect changes in LDC status. A waiver had been granted to Trinidad and Tobago for the simple

(Mr. Gomez)

reason that the country met the criteria for designation as a small island developing country, as provided for in Governing Council decision 90/34. Lastly, while Ethiopia's IPF had been affected by the establishment of an IPF for Eritrea, the numbers remained constant because additional criteria for land-locked countries applied to Ethiopia. In response to the question raised concerning the use of 1989 data, such figures were still being used because when Governing Council decision 90/34 had been adopted in June 1990, they had been the most recent data available. For countries where 1989 data had changed or 1990 data had become available, those developments had been reflected in the annex.

73. The conceptual paper on the sixth cycle could not be prepared by February 1994 for two reasons: firstly, the secretariat needed time to discuss the complex issues at hand and to organize informal consultations; secondly, the new Administrator needed time to hold talks, both in New York and in capitals, to acquire the direct knowledge he needed to contribute to the paper. It would therefore be preferable to have the paper prepared for the Council's June session. Finally, he did not believe that the questionnaire proposed by the representative of Romania would be helpful, given recent experience with questionnaires and existing time constraints.

The meeting rose at 6.30 p.m.